



**STATE EMPLOYEE HEALTH PLAN  
PLAN YEAR 2013  
ACTIVE STATE EMPLOYEE HEALTH PLAN GUIDEBOOK**

**Table of Contents**

<b>INTRODUCTION .....</b>	<b>2</b>
<b>HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA).....</b>	<b>6</b>
<b>EMPLOYEE ELIGIBILITY .....</b>	<b>9</b>
<b>DENTAL PLAN .....</b>	<b>11</b>
<b>VISION PLAN .....</b>	<b>11</b>
<b>OTHER ELIGIBLE INDIVIDUALS UNDER THE SEHP .....</b>	<b>12</b>
<b>OTHER ELIGIBLE INDIVIDUALS UNDER THE SEHP .....</b>	<b>12</b>
<b>ANNUAL OPEN ENROLLMENT PERIOD .....</b>	<b>17</b>
<b>MID-YEAR ENROLLMENT CHANGES .....</b>	<b>18</b>
<b>FLEXIBLE SPENDING ACCOUNT PROGRAM.....</b>	<b>22</b>
<b>FSA PARTICIPANTS: QUALIFIED RESERVIST DISTRIBUTIONS .....</b>	<b>23</b>
<b>IMPORTANT INFORMATION WHEN TRAVELING OUTSIDE OF THE U.S.....</b>	<b>25</b>
<b>HEALTHYKIDS PROGRAM .....</b>	<b>30</b>
<b>CONTINUATION OF COVERAGE – DIRECT BILL PROGRAM.....</b>	<b>31</b>
<b>CONTINUATION OF COVERAGE - COBRA.....</b>	<b>35</b>

## INTRODUCTION

This guide provides information to you on the State Employee Health Plan (SEHP). This guide should be read carefully and retained for reference. If there are additional questions, the employee should contact their Human Resources Office.

**NOTE: This guide contains information which is current as of January 1, 2013; however, benefit information is subject to change without notice. Go to this website and click on the link that contains the information that you are looking for:**

[www.kdheks.gov/hcf/sehp/default.htm](http://www.kdheks.gov/hcf/sehp/default.htm)

***Note:*** The information in this guide is intended to summarize the benefits offered in language that is clear and easy to understand. Every effort has been made to ensure that this information is accurate. It is not intended to replace the legal plan document or contract which contains the complete provisions of a program. In case of any discrepancy between this guide and the legal plan document or contract, the legal plan document or contract will govern in all cases. An employee may review the legal plan document or contract upon request. The State of Kansas reserves the right to suspend, revoke or modify the benefit programs offered to employees. Information contained in this guide, in the State Employer's Health Plan Administrative Manual and in the insurance provider's certificate/contract takes precedence over verbal information. Nothing in this guide shall be construed as a contract of employment between the State of Kansas and any employee, nor as a guarantee of any employee to be continued in the employment of the State, nor as a limitation on the right of the State to discharge any of its employees with or without cause.

The SEHP is authorized by K.S.A. 75-6501 et seq. The program is governed by the State of Kansas Employees Health Care Commission (HCC) which is comprised of the following five members:

- The Secretary of the Kansas Department of Administration
- The Kansas Insurance Commissioner
- A retiree from classified State of Kansas service (appointed by the Governor)
- An active employee from classified State of Kansas service (appointed by the Governor)
- A person from the general public (appointed by the Governor)

Generally, the SEHP bids and contracts with health plans for three-year periods. The contractual periods of the medical, prescription drug, dental, and vision are staggered so that not all contracts come due the same year.

All SEHP medical plans are self insured. These include:

- Blue Cross Blue Shield (Plan A, Plan B and Plan C – Qualified High Deductible Health Plan with Health Savings Account),
- Coventry Health Care / PHS (Plan A, Plan B and Plan C-Qualified High Deductible Health Plan with Health Savings Account),
- United Healthcare (Plan A, Plan B and Plan C-Qualified High Deductible Health Plan with Health Savings Account)
- The prescription drug program is self-insured with Caremark contracted as the prescription benefit manager.

Other health plan benefits available under the SEHP:

- The dental plan is self insured and administered by Delta Dental Plan of Kansas.
- The voluntary vision plan is fully insured by Superior Vision.
- COBRA (Consolidated Omnibus Budget Reconciliation Act) administered by CobraGuard

For each self-insured plan, the SEHP pays the plan provider an administrative fee per contract to process membership information and claims. The SEHP and plan members are directly responsible for the payment of all claims and utilization costs. SEHP rates are based on the amount spent on claims and the utilization costs.

#### **GENERAL DEFINITIONS USED IN THIS GUIDEBOOK:**

- A. COBRA Participant—a participant who elects a temporary extension of health coverage where such coverage would otherwise end as defined by the COBRA act of 1986.
- B. Co-Insurance, Coinsurance—a cost-sharing requirement that provides that the member will be responsible for payment of a portion or percentage of the costs of covered services. It is a cost of health care that the member is responsible for paying, according to a fixed percentage or amount. Coinsurance is a type of cost sharing where the member and the plan share payment of the approved charge for covered services in a specified ratio after payment of the deductible.
- C. Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA)—a federal law requiring that most employers sponsoring Group Health Insurance Plans offer employees and their families an opportunity to extend health coverage for a limited period of time.
- D. Co-Payment, Copayment—a cost-sharing arrangement in which the member pays a specified flat amount for a specific service (such as \$40 for an office visit or \$5 for each prescription drug). It does not vary with the cost of the service, unlike co-insurance which is based on a percentage of cost.
- E. Deductibles—an amount that's required to be paid by the member before benefits become payable by the SEHP. Deductibles are usually expressed in terms of an "annual" amount.
- F. Direct Bill and Retirees—a program to extend health coverage to: 1) retiring participating state employees, 2) totally disabled former participating state employees, 3) surviving spouses and/or dependents of participating state employees eligible under the provisions of K.A.R. 108-1-1 and 4) active participating state employees who were covered under the health plan immediately before going on approved leave without pay.
- G. Health Care Commission (HCC)—the entity that establishes and oversees all provisions under the State Employee Health Plan.
- H. Health Plan—defined medical, drug, dental, and vision benefits offered to state employees under the State Employee Health Plan.
- I. HealthQuest—the State of Kansas Health Promotion Program, which is a wellness program administered by the State Employee Health Plan.
- J. HIPAA—The Health Insurance Portability and Accountability Act (HIPAA) of 1996 (P.L.104-191) [HIPAA] was enacted by the U.S. Congress and signed by President Bill Clinton in 1996. It was originally sponsored by Sen. Edward Kennedy (D-Mass.) and

Sen. Nancy Kassebaum (R-Kan.). Title I of HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. Title II of HIPAA, known as the Administrative Simplification (AS) provisions, requires the establishment of national standards for electronic health care transactions and national identifiers for providers, health insurance plans, and employers. The Administrative Simplification provisions also address the security and privacy of health data. The standards are meant to improve the efficiency and effectiveness of the nation's health care system by encouraging the widespread use of electronic data interchange in the U.S. health care system.

- K. Member—individual who is eligible for and actively participates in the health care benefits offered through the State Employee Health Plan.
- L. Membership Services—the unit in the State Employee Health Plan that is responsible for all daily management of all eligibility functions and membership activities for all members who participate in the State Employee Health Plan. Members include Active state employees, Non-State Public Employer Group employees, Retirees, Direct Bill members and COBRA participants. The unit is also involved in managing and securing contracts with vendors that provide administrative services related directly to Membership programs.
- M. Open enrollment period--refers to the period of time during which all members of the SEHP have the opportunity to enroll in and make plan changes to their SEHP. Open enrollment is only held once a year during the month of October. If a member misses the SEHP's annual open enrollment period, the member will not be able to enroll in or make any plan changes to their SEHP coverage until the next annual open enrollment period. Certain exceptions apply for new employees or employees with midyear qualifying events.
- N. Plan year—annual time period for benefits in the SEHP. Begins at 12:01 a.m., Central Standard Time, on January 1, through midnight, December 31.
- O. Premium—the total cost of the health plan option selected by the employee.
- P. State Employee Health Plan (SEHP) —the state health care benefits program that may provide benefits for persons qualified to participate in the program for medical, prescription drug, dental, vision and other ancillary benefits to participating state employees and their eligible dependents as defined under the provisions of K.A.R. 108-1-1. The program may include such provisions as are established by the Kansas state employees health care commission, including but not limited to qualifications for benefits, services covered, schedules and graduation of benefits, conversion privileges, deductible amounts, limitations on eligibility for benefits by reason of termination of employment or other change of status, leaves of absence, military service or other interruptions in service and other reasonable provisions as may be established by the commission.

Questions about the administration of the SEHP should be directed to the following address:

State Employee Health Plan  
Membership Services  
Room 900 – Landon State Office Building  
900 SW Jackson Street  
Topeka, Kansas 66612-1220

Telephone: (785) 296-3226

Fax: (785) 368-7180

Email: [benefits@kdheks.gov](mailto:benefits@kdheks.gov)

Visit our website at: <http://www.kdheks.gov/hcf/sehp/default.htm>

## **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) protects health insurance coverage for workers and their families when they change or lose their jobs. HIPAA places requirements on employer-sponsored group health plans, insurance companies and health maintenance organizations that:

- 1 limit exclusions for preexisting conditions;
- 2 prohibit discrimination against employees and dependents based on their health status; and
- 3 guarantee renewability and availability of health coverage to certain employees and individuals.

### **PRE-EXISTING CONDITION EXCLUSIONS**

The SEHP does not have a waiting period for coverage of pre-existing conditions.

### **CREDITABLE COVERAGE**

The group health plan is required to furnish a certificate of coverage automatically when coverage terminates either with the SEHP or when coverage is lost under COBRA continuation, as well as upon an individual's written request at any time while that person is covered by a plan or up to 24 months after coverage ceases. Plans are also required to use reasonable efforts to determine information needed to complete a certificate for a dependent. Creditable coverage is coverage under most health benefit programs, including employer or multiemployer group health plans, individual health insurance policies, COBRA continuation coverage, Medicare, Medicaid, and state and local government programs, including health coverage provided by SCHIP and by a foreign government. Certification will be sent to the individual or dependent at their last known address and will identify the covered person, the period of coverage, any waiting periods, and will include an educational statement to inform recipients of their HIPAA rights, and information about FMLA coordination. Also under the Trade Act of 2002, workers qualifying for the provisions of the Trade Act have a second opportunity to elect COBRA after an original qualifying event.

### **SPECIAL ENROLLMENTS**

HIPAA requires that group health plans allow individuals to enroll without having to wait for late or open enrollment. These special enrollment periods are for individuals who previously declined coverage for themselves and their dependents. A special enrollment period can occur if: (1) a current employee or dependent with other health coverage loses eligibility for coverage, or (2) a person becomes a dependent through marriage, birth, adoption or placement for adoption. The employee needs to complete enrollment within 31 days after their other coverage ends. Written documentation of the marriage, birth, adoption or placement for adoption must be provided. (Please refer to Chapter 3 and 10 for more information).

Some examples where special enrollment would apply are: 1) ceasing to be eligible under a plan due to cessation of dependent status (e.g. a child aging out of dependent coverage); 2) reaching a plan's lifetime limit on all benefits; 3) a plan ceasing to offer any benefits for a class of similarly situated individuals (e.g. all part-time workers); and 4) an employer of another plan stops contributions toward other coverage, even if the individual continues the other coverage by paying the amount that used to be paid by the employer.

### **NONDISCRIMINATION REQUIREMENTS**

Individuals may not be denied eligibility or continued eligibility to enroll for benefits under the terms of the plan based on specified health factors. In addition, an individual may not be charged more for coverage than similarly situated individuals on these factors. These factors are: health status, medical condition (physical or mental), claims experience, receipt of health care, medical history, genetic information, and evidence of insurability or disability. For example, an individual cannot be excluded or dropped from coverage under the health plan just because the individual has a particular illness.

### **OTHER APPLICATIONS OF HIPAA LAW**

HIPAA provisions also apply to services under the following laws: 1) Women's Health and Cancer Rights Act (WHCRA) which provides protections to patients who choose to have breast reconstruction in connection with

a mastectomy; 2) Mental Health Parity Act (MHPA) which prevents the group health plan from placing annual or lifetime dollar limits on mental health benefits that are lower - less favorable - than annual or lifetime dollar limits for medical and surgical benefits offered under the plan; and, 3) Newborns' and Mothers' Health Protection Act (NMHPA) which affects the amount of time the member or beneficiary and newborn child are covered for a hospital stay following childbirth. For the mother or newborn child, that includes no restriction to less than 48 hours following a normal vaginal delivery or less than 96 hours following a cesarean section. Nor is it required that a hospital obtain authorization from the medical plan for prescribing a length of stay not in excess of the above periods.

### **PLAN DISCLOSURE REQUIREMENTS**

Under the Department of Labor's (DOL) rules governing plan disclosure requirements, group health plans must improve the summary plan descriptions and summaries of material modifications in the following ways: 1) Notify members and beneficiaries of any material reductions in covered services or benefits within 60 days of adoption of the change; 2) Disclose information about the role of insurance companies and health plans with respect to the group health plan, specifically the name and address, and to what extent benefits under the plan are under a contract, and the administrative services, such as paying claims; 3) Inform members and beneficiaries which DOL office they can contact for assistance or information on their rights under HIPAA; and 4) Inform members and beneficiaries that federal law prohibits the plan and health insurance issuer from limiting hospital stays for childbirth to less than 48 hours for normal deliveries and 96 hours for cesarean sections.

### **PLAN MEMBERS RIGHTS**

Should you have questions about your rights under HIPAA, you may contact the following office:

U.S. Department of Labor  
Employee Benefits Security Administration  
City Center Square, 1100 Main Street  
Kansas City, Missouri 64105  
Telephone: 816-426-5131

You may also contact:

Division of Technical Assistance and Inquiries  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, D.C. 20210

### **HIPAA ADMINISTRATIVE SIMPLIFICATION**

The Administrative Simplification provisions of the HIPAA (Title II) require the Department of Health and Human Services to establish national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. It also addresses the security and privacy of health data. Adopting these standards improves the efficiency and effectiveness of the nation's health care system by encouraging the widespread use of electronic data interchange in health care.

### **PRIVACY REGULATIONS**

The privacy regulations (effective April 14, 2003) ensure a national floor of privacy protections for patients by limiting the ways that health plans, pharmacies, hospitals and other covered entities can use patients' personal medical information. The regulations protect medical records and other individually identifiable health information, whether it is on paper, in computers or communicated orally. Key provisions of these standards include: 1) Access to medical records; 2) Notice of privacy practices; 3) Limits on use of personal medical information; 4) Prohibition on marketing, and stronger state laws; 5) Confidential communications; and 6) Where to file complaints.

## **SECURITY REGULATIONS**

The HIPAA Security requirements (effective April 20, 2005) ensure confidentiality of electronic protected health information that the health plan creates, receives, maintains or transmits.

## **WOMEN'S HEALTH AND CANCER RIGHTS ACT**

Effective January 1, 1999, the Federal Women's Health and Cancer Rights Act of 1998 requires group health plans, insurance companies, and health maintenance organizations (HMOs) that provide benefits for mastectomies to also provide coverage for:

1. Reconstruction of the breast on which the mastectomy was performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
3. Prostheses and treatment of physical complications for all stages of a mastectomy, including lymphedema (swelling associated with the removal of lymph nodes). The deductible and coinsurance provisions applicable to these benefits are consistent with the deductible and coinsurance provisions governing other benefits provided by the State Employee Health Plan. Coverage will be provided in a manner determined from consultation with the attending physician and the patient.

**Any questions concerning the above benefits provided under the State Employee Health Plan should be directed to your medical plan.**



## EMPLOYEE ELIGIBILITY

According to provisions of K.A.R. 108-1-1, the classes of persons eligible to participate in the State Employee Health Plan shall be the following classes of persons:

- A. Any elected official of the state;
- B. Any other officer or employee of a state Agency who meets both the following conditions:
  - 1. Is working in one or more positions that together require at least 1,000 hours of work per year; and
  - 2. Is in a position that is not temporary. An employee who works under employment customs at any regents institution requiring less than a full calendar year of service shall not be considered temporary;
- C. Any person engaged in a postgraduate residency training program in medicine at the University of Kansas Medical Center or in a postgraduate residency or internship training program in veterinary medicine at Kansas State University, but not including student employees of a state institution of higher learning;
- D. Any person elected to a board position that requires less than 1,000 hours of work per year;
- E. Any person serving with the foster grandparent program;
- F. Persons participating under phased retirement agreements outlined in K.S.A. 76-746, and amendments thereto;
- G. Any other class of individuals approved by the Kansas State Employees Health Care Commission, within the limitations set out in K.S.A. 75-6501, *et seq.*, and amendments thereto.

Eligible employees who elect to participate in the SEHP are referred to as member(s) throughout this guidebook.

### **EMPLOYEE WAITING PERIOD**

If you are in one of the classes listed above, you have 31 days from your first day of employment with the state to elect or waive SEHP coverage. If you enroll in the SEHP, your coverage will be effective the first day of the month following completion of a 30-day waiting period starting from your first day of employment. If you miss this deadline, the next opportunity you have to elect coverage will be at the annual Open Enrollment. There may be certain situations or conditions in which the 30-day waiting period may not apply. Please contact your Human Resources office for additional information.

#### **Waiver of the Waiting Period**

Under certain circumstances, the 30-day waiting period in K.A.R. 108-1-1 may be waived. **Before you, as the prospective employee accept the position**, the Agency Head or designee must certify in writing, to the Kansas State Employees Health Care Commission (HCC) or its designee that the waiver is being sought for either of the following reasons:

- I. The new employee is not entitled to continuation of health benefits under either Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended, or state continuation of coverage laws, K.S.A. 40-2209 and K.S.A. 40-3209 and amendments thereto, and is not covered by or eligible to be covered by another health insurance plan;
- II. The new employee is required to have health insurance as a condition of obtaining a work visa for employment in the United States.

The Agency Head or designee must complete and submit a Request for Waiver of the 30-Day Waiting Period Form along with the written request for waiver, before you accept the position.

If the 30-day waiting period is waived, your part of the premium must initially be paid on an after-tax basis. You may change to the pre-tax premium option effective the 1st day of the month that your coverage would have become effective without the waiver. If you desire to change to the pre-tax option after this period of time, a Change Form must be submitted with the original Enrollment Form.

### **EFFECTIVE DATE OF COVERAGE**

Your initial enrollment period for the SEHP is limited. You should complete an Enrollment Form within 31 days of your starting date in a benefits-eligible position. The effective date of your coverage will be the 1st day of the month following the completion of the waiting period, provided that SEHP Membership Services receives the form within 41 days from your date of hire. Once your benefits have become effective, no changes to your elections can be made unless you experience a qualifying event.

If your request for a waiver of the waiting period was approved (see prior section), the effective date of coverage is the 1st day of the month following your date of hire. If your date of hire is the 1st day of a month, your coverage will begin on that day.

If you are a current employee who is changing from a non-benefits eligible position to a benefits eligible position, and who have already served the 30-day waiting period, your enrollment period is 31 days from the date the you started working in the eligible position. SEHP Membership Services must receive your Enrollment Form within 10 days from the date you signed it. Your effective date of coverage is the 1st day of the month following your starting date in the eligible position. If your starting date in the eligible position is on the 1st day of the month, your coverage will begin on that day.

If you were rehired and your break in service is 30 calendar days or less, your effective date of coverage is the 1st day of the month following your rehire date (if you had SEHP coverage in effect prior to your break in service). If your rehire date is the 1st day of the month, your coverage effective date will be the 1st day of that month. If you are rehired or reactivated within 30 days, you must enroll in the same coverage you previously had, unless you experience a qualifying event.

Corrected Enrollment Forms will be approved only if completed and received by SEHP Membership Services before the initial coverage election has taken effect.

### **PRE-EXISTING CONDITIONS**

The SEHP does not have a waiting period for pre-existing conditions. Certificates of Creditable Coverage from any other medical plan you were covered by are not required for enrollment.

### **WAIVER OF INSURANCE COVERAGE**

If you elect to waive SEHP coverage, you must complete and sign an Enrollment Form indicating that you wish to waive SEHP coverage. The Enrollment Form should be submitted during your enrollment period. If you do not return the Enrollment Form or refuse to sign it, your employer will submit an Employer Waiver of Group Health Insurance Form to the SEHP.

### **FULL-TIME/PART-TIME STATUS**

Your contributions for your SEHP coverage Plan Year are dependent upon whether your position is full-time or part-time. If you are active in more than 1 eligible position, your employment status is based on the combined FTE (Full Time Equivalent) for all positions.

## **HEALTH PLAN SALARY RANGE**

The Health Plan salary range is the range in which your annual salary falls as of January 1 each year. If you were newly hired during the Plan Year, the annual salary is as of your date of hire. If you are a current employee with new benefits eligibility, your annual salary is as of the date of benefits eligibility.

Your contributions for SEHP coverage during the Plan Year are dependent upon your salary range as outlined below (if you are active in more than 1 eligible position, the annual salary range is based on the combined salary for all positions):

### Annual Salary Ranges

Salary Range 1 = Less than \$28,000

Salary Range 2 = \$28,000 to less than \$48,000

Salary Range 3 = \$48,000 or more

Your salary range is not changed during the Plan Year unless your salary range changes due to moving from a full-time to a part-time position or from a part-time to a full-time position.

Prior to the beginning of a new Plan Year, the SEHP is responsible for updating your salary range. During the plan year, the SEHP will only change your salary tier if you move from Full-time to Part-time status or vice versa.

A change to your salary range will not affect your HealthyKIDS deduction. The Qualified High Deductible Health Plan deduction is not dependent on your salary range.

Before you submit an Enrollment, Change, or any other SEHP form, it is your responsibility to make sure that:

- You have completed the Form;
- You have signed and dated the Form;
- You have included all documentation that is required in order to make the change.

Please contact your Human Resources office for additional information.

## **DENTAL PLAN**

Member only dental coverage is provided for all members enrolled in medical coverage. If you choose to enroll your dependents in dental coverage the same dependents enrolled in dental coverage must be enrolled in medical coverage. Dependent dental coverage may not be dropped during the plan year unless dependent medical coverage is also dropped.

## **VISION PLAN**

If you choose dependent vision coverage, and dependent children are also enrolled in the medical plan, the dependent children enrolled in the vision plan must match those enrolled in the health plan. Please note that you can enroll or change your vision coverage only when you or a dependent first becomes eligible, during the annual open enrollment period, or if a dependent becomes ineligible. This holds true even if you pay your premiums on an after-tax basis

## OTHER ELIGIBLE INDIVIDUALS UNDER THE SEHP

In addition to covering yourself, you may also elect coverage for other eligible individuals of your family. These eligible individuals include:

1. Your lawful wife or husband, referred to as “spouse” throughout the rest of this guidebook (Same gender marriages are not recognized under Kansas Law).
2. Any of your eligible dependent child(ren) also referred to as “dependent(s)” throughout the rest of this guidebook.

If you divorce, coverage for your former spouse and stepchild(ren) ends on the last day of the month of the date of your divorce. If the date of your divorce is the first day of the month, coverage for your former spouse and stepchild(ren) ends on the first day of that month.

### Other Eligible Individuals Important Information:

- A. If you are eligible to enroll as a primary member in the SEHP, you are not eligible to be enrolled as spouse or dependent of another primary member in the SEHP.
- B. An eligible dependent that is enrolled by one primary member is not eligible to be enrolled as a dependent by another primary member.
- C. “Other eligible individual” excludes any individual who is not a citizen or national of the United States, unless the individual is a resident of the United States or a country contiguous to the United States, is a member of a primary member’s household, and resides with the primary member for more than six months of the calendar year. The dependent shall be considered to reside with the primary member even when the dependent is temporarily absent due to special circumstances, including illness, education, business, vacation, and military service.
- D. “Permanent and total disability” means that an individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or has lasted or can be expected to last for a continuous period of at least 12 months. An individual shall not be considered to have permanent and total disability unless the individual furnishes proof of the permanent and total disability in the form and manner, and at the times, the SEHP may require.
- E. The word “child” means:
  - 1) Your natural son or daughter
  - 2) Your lawfully adopted son or daughter. Lawfully adopted will include those instances in which a primary member has filed a petition for adoption with the court, has a placement agreement for adoption or has been granted legal custody.
  - 3) Your stepchild. If the natural or adoptive parent of the stepchild is divorced from you, the child no longer qualifies as your stepchild, and is no longer eligible for coverage.
  - 4) A child of whom you as the primary member has legal custody. Legal custody ends once the child reaches the age of 18.
  - 5) Your grandchild, if at least one of the following conditions is met:
    - I. You have legal custody of your grandchild or have lawfully adopted your grandchild
    - II. The grandchild lives in the your home and is the child of your covered eligible dependent child and you provide more than 50% of the support of your grandchild; or

- III. The grandchild is the child of your covered eligible dependent child and is considered to reside with you even when your grandchild or your eligible dependent child is temporarily absent due to special circumstances including education of your covered eligible dependent child, and you provide more than 50% of the support for the grandchild.
- F. Eligible dependent child(ren) or stepchild(ren). To be covered under the SEHP, your child or stepchild must be less than 26 years of age.
- G. Eligible dependent child(ren) or stepchild(ren) aged 26 or older who have a permanent and total disability as described in Section D above and has continuously maintained group coverage as an eligible dependent of yours before reaching the limiting age to be covered under the plan. The child must be chiefly dependent on the primary member for support (receive more than 50% of his or her support and maintenance from the primary member.)

#### **DEPENDENT DOCUMENTATION REQUIREMENT:**

The State of Kansas and the SEHP require supporting dependent documentation to support proof of dependency and/or residency of your dependents. When enrolling your dependent(s) for coverage with the SEHP, you must certify:

1. That your dependent(s) meet the requirements for dependent coverage for the year in which the dependent(s) are being enrolled.
2. You must also provide appropriate supporting documentation for each dependent (such as the birth certificate, adoption papers, marriage license, copy of the current year's filed federal tax return, etc. See additional information on Page 14 of this Guidebook).
3. Any attempt to enroll dependent(s) who do not meet the SEHP requirements will be considered fraud and will be subject to penalties as prescribed by law.

**Note:** Requests that are submitted without supporting dependent documentation or with incomplete documentation will be returned to your Human Resources office with no action taken by the SEHP. The deadline for submitting the request will not be extended and the dependent will not be added to your SEHP coverage

#### **DEPENDENT'S EFFECTIVE DATE OF COVERAGE**

Your dependents shall become newly eligible on the later of:

1. Your initial date of eligibility; or
2. The 1st day of the month following the date the individual first becomes your dependent or becomes newly eligible for coverage according to the dependent definition. The newly eligible dependent must be added to your coverage within 31 days of the date you gain the new dependent or within 31 days of the date the dependent becomes newly eligible according to the dependent definition. SEHP Membership Services must receive the Change Form and supporting dependent documentation within 10 days of the date that you signed the Change Form.
3. The 1st day of the month following the loss of Medicaid or State Children's Health Insurance Program (SCHIP) coverage. The newly eligible dependent must be added to coverage within 60 days of the date of the loss of Medicaid or SCHIP coverage. The SEHP must receive the Change Form and any supporting dependent documentation within 10 days of the date the Change Form is signed by you.

#### **NEWLY ELIGIBLE DEPENDENTS**

You must complete and sign all Enrollment or Change Forms adding newly eligible dependents within 31 days of the event that makes the dependent(s) newly eligible. SEHP Membership Services must receive the form within 10 days of the date of your signature.

Coverage for newly eligible dependents may be added if you are enrolled in the SEHP on a pre-tax or an after-tax basis.

The change in coverage must be consistent with the event and/or must comply with HIPAA regulations.

Supporting documentation is required (copy of the birth certificate, petition for adoption, marriage license, legal custody agreement, copy of current year's filed federal tax return, etc.) as proof of the qualifying event. Please see the section below that outlines in detail the documents that must be submitted to the SEHP. Requests that are submitted without documentation or with incomplete documentation will be returned to your Human Resources office with no action taken by the SEHP. Any documentation submitted in any other language besides English must be accompanied with an English translation. The deadline for submitting the forms will not be extended.

The following appropriate documentation is required to be submitted to the SEHP with the Enrollment or Change Form:

1. Marriage License (for proof of spouse and stepchild eligibility)
2. Birth certificate or hospital birth announcement for newborns containing both parents' names.  
**NOTE: Birth registration cards are NOT acceptable proof for child eligibility**
3. Petition for adoption or placement agreement for dependent child
4. Legal custody or guardianship document issued by the court
5. Court order for dependents who are not natural or adopted children of yours
6. Certificate of birth and Dependent Grandchild Affidavit for children born to a covered dependent (grandchild)
7. An Application for Coverage of Permanent and Totally Disabled Dependent Child affidavit for covered dependent children aged 26 or older
8. Copies of pages 1 and 2 (**from the most current year**) filed Federal tax return (form 1040, 1040A or Form 8879[IRS e-file]) showing:
  - a. the filer's name,
  - b. you and your spouse's names,
  - c. your signatures and
  - d. date signed
- NOTE: ALL income information may be whited out prior to submission to the SEHP. (This documentation is only acceptable for proof of spouse eligibility in lieu of a marriage certificate.)**
9. Divorce decree **Note: ONLY the first and last page of court document are needed**

Please contact your Human Resources office for additional information.

## **NEWBORNS OR ADOPTIONS**

To add a newborn dependent to your coverage, you **must** complete a Change Form adding the dependent to your coverage within 31 days from the date of birth. SEHP Membership Services must receive the form within 10 days of the date of your signature. For grandchildren, a copy of the birth certificate and a completed Dependent Grandchild Affidavit must be attached to the Change Form. No coverage will be provided for your newborn child until SEHP Membership Services has processed the Change Form and the appropriate supporting dependent documentation.

A signed change form **must be submitted** to SEHP Membership Services within 31 days of the date of your newborn's birth to add them to your SEHP benefits. If the signed change form is not received, coverage for your newborn will automatically be provided based upon the following enrollment of your SEHP benefits:

- If you already have children or family coverage, your newly eligible dependent will be covered starting with the date of birth through the 31<sup>st</sup> day. Coverage for your newborn ends on the 32<sup>nd</sup> day. If your

child is successfully added within the first 31 days of their birth, continuous coverage will be provided for your newborn.

- If you already have spouse coverage, your newly eligible dependent will be covered for only the first 31 days from the date of birth. Coverage for your newborn ends on the 32<sup>nd</sup> day. If your child is successfully added within the first 31 days of their birth, a coverage level change to Employee and Family and an appropriate premium change will occur the first of the month following the date of birth of your newborn.
- If you have single coverage, your newly eligible dependent will be covered for only the first 31 days from the date of birth. Coverage for your newborn ends on the 32<sup>nd</sup> day. If your child is successfully added within the first 31 days of their birth, an appropriate change in coverage level and premium will occur the first of the month following the date of birth of your newborn.

**NOTE: Regarding a newborn child of your dependent child (grandchild); your grandchild will only be covered for the first 5 days from the date of birth. Coverage for your grandchild will end on the 6<sup>th</sup> day if you do not complete a Change Form requesting to add your dependent grandchild to coverage (along with appropriate supporting dependent documentation) within 31 days from the date of birth. SEHP Membership Services must receive the form within 10 days of the date of your signature.**

In the case of adoption, your dependent must be added to your coverage within 31 days of the date that the petition for adoption or placement notice is filed or the date of adoption placement. A copy of the petition for adoption or placement notice must be attached to the Change Form. SEHP Membership Services must receive the form and documentation within 10 days of the date of your signature.

If the adoption is being handled through an adoption agency, they may require an adjustment period in your home prior to filing the petition for adoption. In this case, a copy of the adoption agency's placement letter must be attached to the Change Form and must indicate the date of placement as well as the length of the adjustment period. When the adjustment period is over and the petition for adoption has been filed with the court, you must submit a copy of the petition for adoption in order to continue coverage for the dependent. If the dependent is removed from your home, or the petition for adoption is not filed, a Change Form must be submitted to remove the dependent from your coverage.

Your Human Resources office should contact SEHP Membership Services for guidance if the dependent is being adopted and a petition for adoption is never filed in a U.S. court (which is sometimes the case with foreign adoptions).

### **Effective Date of Coverage**

If the date of the filing for petition for adoption or placement in your home is within 31 days of the birth of the child, the coverage effective date is the date of birth, provided SEHP Membership Services receives documentation within 41 days of the birth of the child. If the filing placement is not within 31 days of the date of birth of the child, the effective date of coverage is the date of the filing date of the petition for adoption **or** the date of placement, whichever the case may be. The effective date of coverage cannot be earlier than the child's placement or arrival your home within the United States.

If you add a newly eligible newborn or adopted dependent to coverage, you may add other eligible dependents to your coverage. The effective date of coverage for the newborn or adopted dependents will be the date of birth if a Change Form is completed within 31 days of the applicable child's birth. SEHP Membership Services must receive the form and documentation within 10 days of the date of

your signature. The effective date of coverage for other eligible dependents, such as your spouse and/or other children or stepchildren of yours, will be the first day of the month following the birth, date of placement for adoption, or date of petition for adoption.

#### **Change in Employee Contribution**

The change in coverage will be reflected in your contribution beginning the 1st of the month following the date of birth, date of petition for adoption or date of the placement agreement. If the date of birth, date of petition for adoption, or date of the placement agreement occurs on the 1st day of the month, the change in your contribution shall not take place until the 1st of the following month.

#### **New Legal Custody/Guardianship Dependents (for dependents who are not natural or adopted children of the member)**

If you are adding a newly eligible legal custody/guardianship dependent to coverage, you must complete a Change Form to add the dependent to coverage within 31 days of the date that the court issues a legal custody agreement. SEHP Membership Services must receive the Change Form within 10 days of the date you have signed the Change Form. A copy of the court order or legal custody agreement must be attached to the Change Form.

The effective date of coverage will be the 1st day of the month following the date of legal custody or guardianship. If the date of legal custody or guardianship occurs on the 1st day of a month, the coverage effective date will be the 1st day of the month.

Your contributions will be due according to the dependent coverage effective date.

#### **NEW SPOUSE OR STEPCHILDREN DUE TO MARRIAGE**

If you want to add other newly eligible dependents to coverage due to marriage, you must complete a Change Form adding the dependents to coverage within 31 days of the event (marriage). SEHP Membership Services must receive the appropriate Form along with appropriate supporting documentation within 10 days of the date you signed the Change Form.

The effective date of coverage will be the 1st day of the month following the date of marriage. If the marriage occurs on the 1st day of the month, the coverage effective date will be the 1st day of that month.

If you are adding a newly eligible spouse or stepchild(ren) to coverage, other eligible dependents may also be added to coverage, such as your other children. The effective date of coverage for these dependents will be the 1st day of the month following the date of marriage. Your contributions will be due according to the dependent coverage effective date.

If you have previously waived coverage, you have acquired a newly eligible dependent, (marriage, birth, adoption, etc.), and you want to elect SEHP coverage, you must complete a new Enrollment Form and submit it to the SEHP along with the appropriate documentation within 31 days of the date of the event. Coverage for you and your newly eligible dependent(s) will be effective the first of the month following the date of the qualifying event. In the case of a newborn, coverage for the newborn will be the date of birth, but your coverage will be the first of the month preceding the newborn's date of birth. Any other dependents added as a result of this qualifying event will be effective the first of the month following the date of birth of the newborn.



## **ANNUAL OPEN ENROLLMENT PERIOD**

Open Enrollment for SEHP coverage occurs annually during the month of October. When you enroll during the Open Enrollment period, you will have coverage effective the 1st day of the new Plan Year as outlined in the current Health Plan Summary/Open Enrollment booklet.

You must complete the Open Enrollment process to change medical plans, add or drop coverage, add or drop dependents from coverage, or to change pretax payment status. Open Enrollment will be completed via the Internet using the online Employee Self Service Center. Information concerning online enrollment is published prior to the annual Open Enrollment period. The SEHP Enrollment Forms are used all other times during the year.

### **PRE-EXISTING CONDITIONS**

The SEHP does not apply an additional waiting period for pre-existing conditions for you or your dependents that enroll in health coverage during the annual Open Enrollment period. Certificates of creditable coverage from other medical plans are not needed for Open Enrollment.

### **NEWLY ELIGIBLE MEMBERS**

Newly eligible members who have completed their 30 day waiting period may enroll during their initial enrollment period for an effective date of coverage for the current Plan Year. In addition, during the month of October, you may complete Open Enrollment and select different coverage to be effective for the new Plan Year.

### **REVISED OPEN ENROLLMENT ELECTIONS**

You may change your original Open Enrollment election online during the Open Enrollment period. Following the end of the Open Enrollment period, a Change Form will only be accepted if you have a qualifying event or family status change as listed in this Guidebook. You must complete a Change Form within 31 days of the qualifying event or family status change. SEHP Membership Services must receive the completed form within 10 days from the date of signature. Requests that are submitted without supporting dependent documentation or with incomplete supporting documentation will be returned to your Human Resources office with no action taken by the SEHP. The deadline for submitting the forms with documentation will not be extended.

### **IDENTIFICATION CARDS**

Identification (ID) cards will be sent to you if you are newly enrolled or if you have made a coverage level change. If you are expecting a new ID card but do not receive one by the end of December, you should contact the applicable carrier to request new ID cards. Telephone numbers for the carriers are listed in the front of the Health Plan Open Enrollment booklet.

### **COST OF COVERAGE**

Your contribution for the SEHP coverage is subject to change each Plan Year. State employer contributions are generally subject to change at the beginning of the State of Kansas fiscal year.

SEHP coverage is monthly and rates are based on semi-monthly payroll deduction periods. Coverage termination will be effective the 1st day of the month following termination of employment. Additional premiums are not collected if termination of employment is before the 2nd employee contribution is withheld.

**NOTE: For current SEHP rates, please contact your Human Resources office.**

## MID-YEAR ENROLLMENT CHANGES

### ADDITION AND DELETION OF NON-NEWLY ELIGIBLE EMPLOYEES AND DEPENDENTS

Non-newly eligible employees and dependents are defined as employees and/or dependents for which 31 days have passed since their initial eligibility for coverage.

Non-newly eligible employees and/or dependents may be added or dropped from the SEHP during the Plan Year but only if all of the following mid-year change requirements are met:

- a. The change is a result of one of the events listed in this Guidebook;
- b. You request the change within 31 calendar days of the event (by completing an Enrollment or Change Form) and received by SEHP Membership Services within 10 days of your signature;
- c. The change in coverage is consistent with the event and complies with HIPAA regulations; and
- d. Written documentation of the event is provided (divorce decree, death certificate, custody agreement, or statement from a spouse's employer on their letterhead).

### SUPPORTING DEPENDENT DOCUMENTATION

The following appropriate documentation is required to be submitted to SEHP Membership Services with your Enrollment or Change Form:

1. Marriage License (for proof of spouse and stepchild eligibility)
2. Birth certificate or hospital birth announcement for newborns containing both parents' names.  
**NOTE: Birth registration cards are NOT acceptable proof for child eligibility**
3. Petition for adoption or placement agreement for dependent child
4. Legal custody or guardianship document issued by the court
5. Court order for dependents who are not natural or adopted children of yours
6. Certificate of birth and Dependent Grandchild Affidavit for children born to a covered dependent (grandchild)
7. An Application for Coverage of Permanent and Totally Disabled Dependent Child affidavit for covered dependent children aged 26 or older
8. Copies of pages 1 and 2 (**from the most current year**) filed Federal tax return (form 1040, 1040A or Form 8879[IRS e-file]) showing:
  - a. the filer's name,
  - b. you and your spouse's names,
  - c. your signatures and
  - d. date signed

**NOTE: ALL income information may be whited out prior to submission to the SEHP. (This documentation is only acceptable for proof of spouse eligibility in lieu of a marriage certificate.)**

9. Divorce decree Note: ONLY the first and last page of court document are needed

Please contact your Human Resources office for additional information.

### ADDITIONS:

If you are adding dependent medical coverage, then you may add dependent dental coverage at the same time. If you elect dependent dental coverage, the level of dependent dental coverage must match the dependent medical coverage level.

Vision coverage may be added during the Plan Year only for newly eligible employees and/or dependents. You cannot change from Basic to Enhanced vision coverage, or vice versa during the Plan Year.

If you have waived vision coverage, newly eligible dependents may not be added even if a qualifying event occurs.

### **DELETIONS:**

If you are enrolled on an after-tax basis, you may drop member or dependent coverage (both medical and dental) without restriction during the Plan Year. If you are enrolled on an after-tax basis, you may not change medical plans during the Plan Year.

You may not drop dependent dental coverage during the Plan Year unless you drop dependent medical coverage.

You may not drop Vision coverage during the Plan Year unless you are an ineligible member and/or dependent. Even if you are enrolled on an after tax basis, vision coverage cannot be dropped during the Plan Year.

### **EFFECTIVE DATE OF COVERAGE**

For mid-year enrollment changes, the effective date of coverage or change in coverage will generally be the 1st day of the month following the event (assuming all form requirements have been met). For events that occur on the 1st day of a month, the coverage effective date will be that day. However, if a death occurs on the 1st day of a month, the change effective date will be the 1st day of the following month.

The effective date of coverage is outlined in this Guidebook for newborns, adopted children, new spouses and/or new stepchildren, and changes in legal custody or guardianship of a dependent.

If you are enrolled on an after-tax basis and you are dropping member and/or dependent coverage, the effective date of change in coverage is the 1st day of the month following completion of the Change Form (assuming the Change Form is received by SEHP Membership Services within 10 days of your signature). If the Change Form is completed on the 1st day of a month, the coverage effective date will be that day.

The effective date of coverage or change in coverage is outlined in this Guidebook for changes in Medicare eligibility.

### **MID-YEAR QUALIFYING EVENTS**

#### **Pretax events**

If you are enrolled on a pretax basis, and any addition or deletion to coverage will result in a change in employee contribution, there must be a qualifying event for the change to be approved. Enrollment changes must also be consistent with the event and must comply with HIPAA regulations. You may change pretax status only during Open Enrollment each year (unless the 30-day waiting period was waived for initial enrollment). The qualifying event must result in a gain/loss/change of coverage in an employer-sponsored group health insurance plan. This gain/loss/change can be for you, your spouse, or a dependent and can be under either the SEHP or a plan sponsored by your spouse or dependent's employer. The requested change of election must then correspond with the gain/loss/change of coverage, and must be confirmed with documentation in the form of a letter from the employer on the employer's letterhead. All changes must be requested within 31 days of the event.

If you are enrolled in the SEHP on a pretax basis, you may make mid-year additions and deletions from coverage based on the following events and subject to the requirements listed in this Guidebook:

1. Your marriage – you may add or drop entire family if the family is picked up under the new spouse's employer's plan because the entire family is now newly eligible. The entire family is not newly eligible for SEHP coverage if the spouse's employer covered unmarried domestic partners. If the marriage is a common law marriage, a notarized copy of The Affidavit of Common Law Marriage must be included with the Enrollment or Change Form.

2. Your final divorce (the first and last pages of the final divorce decree must be attached to the Enrollment or Change Form).
3. Birth or adoption of a dependent – you may add your entire family. You may drop entire family only if the status change is due to a birth or adoption, and those family members are now newly eligible under some other employer's plan.
4. Gain or loss of legal custody of a dependent.
5. Changing from part-time to full-time or from full-time to part-time employment by your spouse or dependent that affects cost, benefit level, or benefit coverage for you, your spouse, and/or your dependents. Changing from a benefits eligible position to a benefits ineligible position by you, your spouse or a dependent. Termination or commencement of employment (including retirement) of you, your spouse or a dependent which affects benefits coverage for you, your spouse and/or your dependents (you may change your medical plan at the time of retirement). Any employment status changes that affect eligibility.
6. Significant changes in the health insurance coverage of you, your spouse or dependent. Change of Network Status of a physician is not a qualifying event. You may make a mid-year change due to an Open Enrollment change made by a spouse or dependent on their health plan.
7. If you, your spouse, or dependent are called to active military duty and/or gain or lose eligibility for military insurance.
8. Loss of COBRA eligibility (for other than non-payment of premium) from a previous employer for you, your spouse, or dependent.
9. Death of your spouse or dependent.
10. Your dependent child turns age 26 (coverage will end the last day of the month of the birthday). If the birth date is on the first day of the month, the coverage ending date for your dependent will be the last day of the preceding month.
11. If you, your spouse or dependent gain or lose government-sponsored medical card coverage. Terminating coverage is not allowable if you become covered under programs like SCHIP (State Children's Health Insurance Program) because these programs are not supposed to replace existing insurance. This may apply to other government card coverage.
12. If you, your spouse, or dependent lose Medicare eligibility, or become eligible for Medicare, and elect Medicare coverage as primary.
13. Dependent children identified under a Medical Withholding Order (K.S.A. 23-4,105) or Qualified Medical Child Support Order (the SEHP has the authority to add these dependent children without the consent of the employee).
14. Court Order requiring adding or dropping coverage for a dependent child.
15. Dependent children losing eligibility/coverage under another group health insurance plan.
16. Children that change from non-dependent to dependent status during the Plan Year under SEHP guidelines can only be added back on to your coverage at Open Enrollment.

17. Dependent spouse or children who move to the U.S.

### **After-tax events**

If you are enrolled in SEHP coverage on an after-tax basis, you may make mid-year additions and deletions from coverage due to the following events and subject to the requirements listed above:

1. All events as listed under Pretax Events;
2. Removing yourself and/or dependents from SEHP coverage for any reason (no documentation is required).
3. Vision coverage may not be added or dropped during the Plan Year.

### **ACTIVE MILITARY DUTY**

If you go on military duty - leave without pay, you may continue coverage for the next 30 days. Your Agency will continue to make the SEHP employer contribution for those 30 days. You must pay your premium (regular payroll deduction amount) to your Agency to continue your coverage during the 30 days following the effective date of the military leave without pay.

You may continue coverage in the SEHP beyond the 30 days leave without pay timeframe, but you must pay the full premium amount directly to the premium billing vendor as a direct bill participant. There will be no Agency employer contribution. An employee with spouse, children, or full family coverage may elect to drop themselves and keep their spouse and/or children covered in the SEHP. You must make the change within 30 days of the effective date of the military leave without pay. To continue SEHP coverage, a Change Form indicating LWOP must be completed and submitted to SEHP Membership Services.

If SEHP coverage is continued, it will be the primary payer of claims and military coverage will be secondary.

You and/or your dependents who elect to discontinue SEHP coverage and who have primary coverage provided by the military will be allowed to reenroll into the same SEHP plan and coverage when you return to active employee status.

If you are on military leave during Open Enrollment, you may enroll in any SEHP plan and coverage levels for which you are eligible, without penalty, upon your return to active employee status.

The effective date of coverage may be either the first day of the month following your return from active military duty or the first day of the month in which you return to active employee status.

If you are qualified for and elect to participate in the military's transitional health benefit program, you will be allowed to reenter the SEHP without penalty when the transitional coverage terminates. You may be qualified for up to 180-days of transitional health benefits.

The effective date of coverage may be either the first day of the month following termination of the military transitional health coverage or the first day of the month in which the military coverage terminates, whichever is chosen.

Return from military leave policies also apply to dependents returning from military leave.

## **FLEXIBLE SPENDING ACCOUNT PROGRAM**

The Flexible Spending Account (FSA) program is offered by the State of Kansas (Employer) and administered by the SEHP. First offered by the State of Kansas in 1991, the Flexible Spending Account program is subject to the federal rules and regulations of Internal Revenue Code (IRC) Section 125 concerning all cafeteria plans and is authorized by K.S.A. 75-6512 et al. Flexible Spending Accounts allow participants to pay for health plan premiums, non-reimbursed health care expenses and dependent daycare expenses using pre-tax dollars.

### **I. FLEXIBLE SPENDING ACCOUNT OPTIONS**

There are currently three benefit plans offered:

- A.** Pretax Premium Option – allows you as a participant to pay their State Employee Health Plan medical, dental and/or vision) premiums on a pre-tax basis.
- B.** Health Care Flexible Spending Account (hereinafter referred to as a HC FSA) – allows you as a participant to pay for qualified health expenses that are not otherwise reimbursable under the health plan, on a pre-tax basis. Eligible expenses are determined by IRS publication 502.
- C.** Dependent Care Flexible Spending Account (hereinafter referred to as a DC FSA) – allows you as a participant to pay for qualified work related daycare expenses on a pre-tax basis. Qualified DC FSA expenses are determined by Section 129 of the IRS code.

### **II. TAX SAVINGS**

Salary reductions on a pre-tax basis means that you enters into an agreement with the State of Kansas to reduce your salary by the cost of Health Plan premiums and/or by the amounts elected for either, or both Flexible Spending Accounts. Since your salary is reduced, you do not pay federal or state income taxes or Social Security taxes on these amounts. As a result, your take home pay will increase by the amount you don't pay in taxes.

### **III. EFFECTIVE DATE OF COVERAGE**

The initial enrollment period for Flexible Spending Accounts is limited. You must submit a completed FSA Enrollment Form to your Agency Human Resource Office within 31 days of their date of hire or new benefits eligibility. If forms are not submitted within 31 days, you will not be allowed to enroll until the next Open Enrollment period, unless you experience a mid-year qualified change in status.

For additional information, refer to the FSA administration manual on the SEHP website at:

[www.kdheks.gov/hcf/sehp/FSA.htm](http://www.kdheks.gov/hcf/sehp/FSA.htm)

## **FSA PARTICIPANTS: QUALIFIED RESERVIST DISTRIBUTIONS**

Effective January 1, 2011 the SEHP has adopted the HEART Act (Heroes Earnings Assistance and Relief Tax of 2008) into its Health Care FSA program for Plan Year 2011.

The HEART Act is designed to help military personnel called to active duty who may otherwise forfeit dollars set aside in a health care FSA. According to the Act, an employer and/or Plan Sponsor may make a cash distribution of unused FSA benefits to eligible reservists without disqualifying its cafeteria plan. The withdrawal is known as a Qualified Reservist Distribution or (QRD). However, there are qualifications that must be met before a QRD can be made:

- 1) The individual must be a “reservist”, as defined in 37 U.S.C. Section 101, which means the reservist must be a member of one of the following;
  - Army National Guard of US
  - Army Reserve
  - Navy Reserve
  - Marine Corps Reserve
  - Air National Guard of US
  - Air Force Reserve
  - Coast Guard Reserve
  - Reserve Corps of the Public Health Service
- 2) The participant is called to active duty for a period of 180 days or more or for an indefinite period.
- 3) The request for distribution must be made after the order for active duty is issued, but before the last day of the plan year (or grace period, if applicable).

Finally, QRD's are taxable, and should be included in the gross income and wages of the employee, and are subject to employment taxes. A QRD must be reported as wages on the employee's W-2 for the year in which the QRD is paid to the employee.

To review the FSA administration manual for additional information, please go the SEHP website at:

[www.kdheks.gov/hcf/sehp/FSA.htm](http://www.kdheks.gov/hcf/sehp/FSA.htm)

## **QUALIFIED HIGH DEDUCTIBLE HEALTH PLAN WITH HSA - (QHDHP W/HSA)**

### **THE DIFFERENCE BETWEEN PLAN C – QHDHP W/HSA AND PLANS A AND B**

- Premiums paid for coverage are lower.
- The deductible you must pay under Plan C is higher, but your employer provides you with a contribution to your Health Savings Account that can be used to help you meet your deductible.
- With Plan C, the Caremark Preferred Drug List is the same as with Plans A and B however, the benefits are different.

**Note:** Prescription drugs are subject to the overall plan deductible. Also, under Medicare Part D rules, Plan C drug coverage is **now** considered "creditable coverage".

- Plan C drug coverage includes a generic incentive program. Members who have generics available to them will pay more for brand name drugs.
- When you choose dependent coverage under Plan C, a family member may now satisfy the single deductible for claims to be paid versus the entire family deductible having to be met as in prior years.
- Most covered services are subject to the deductible and coinsurance.
- For members 65 and over, you are eligible to elect Plan C and contribute to an HSA as long you haven't:
  - Applied to receive Social Security benefits (Part A enrollment is automatic when receiving benefits through Social Security) or;
  - Enrolled in Medicare (Parts A, B or D)

### **HEALTH SAVINGS ACCOUNT (HSA)**

The HSA is a required part of the QHDHP with minimum and maximum allowable contributions. The purpose of the HSA is to allow members to put tax advantaged savings aside for future medical expenses. The savings may be used for certain premiums, copayments, coinsurance, deductibles or any medical expenses that are not covered by the QHDHP.

The HSA is owned by the member, administered by the HSA Bank, and can be funded up to the maximum amount determined by the U.S. Treasury Department each year. Members between 55 and 65 can make an annual "catch up" contribution of \$1,000, as outlined in IRS Publication 969. The HSA account is portable and funds rollover from year to year.

New employees who enroll in the QHDHP will have their HSA opened through US Bank.

HSA contribution changes can be made during the year without a qualifying event. If no change is made, the same contribution amount will continue into the next Plan Year.

If you change from member only to member and dependent medical coverage, the employer contribution will be increased so that you receive the prorated difference between member only and member plus dependent coverage. Refer to the Health Savings Account Contribution Chart in the Health Plan Summary Booklet.

### **HSA BANK CONTACT INFORMATION**

- US Bank (this is the new HSA bank for all three health vendors as of Plan Year 2013): 877-470-1771 or online at: [www.mycdh.usbank.com](http://www.mycdh.usbank.com).

For more information concerning Plan C - HSA benefits, please contact SEHP Membership Services at 785-368-6341.



## IMPORTANT INFORMATION WHEN TRAVELING OUTSIDE OF THE U.S.

You should contact your medical plan carrier **before** traveling outside of the U.S. for coverage and claim submission requirements in the event that you and/or your eligible dependents need to seek medical treatment while traveling outside of the U.S. Each medical plan carrier has their own processes and procedures to ensure you and your eligible dependents have appropriate coverage while traveling.

### **PRESCRIPTION DRUG ADVANCE PURCHASE POLICY:**

#### A. Travel in the United States

Because the SEHP uses the Caremark Pharmacy network, when you are traveling within the United States, you are not eligible for an advance prescription purchase. You may use your drug card at any Caremark network pharmacy throughout the U.S.

#### B. Travel Outside of the United States

##### a. Travel or work outside the U.S. for a period of sixty (60) days or less:

When you plan to leave the U.S. for 60 days or less you may call the toll-free number on the back of your card to arrange for a vacation supply of medications. Caremark may enter up to 30 days on an original fill for non-controlled and controlled medications or a 60 day override on refills of medications as allowed by the benefit description. You will be billed the applicable coinsurance or copayment for the quantity purchased.

##### b. Work outside the U.S. for a period of sixty (60) days or longer but not to exceed one {1} year:

This policy and its provisions apply only to active employees covered under the SEHP. When you will be outside of the country for a longer period of time, there are two options available:

#### ➤ **Option 1 - Advance purchase through drug plan:**

You must work with your Human Resources office to arrange for advance purchase of maintenance medications required during a stay outside the U.S. The Advance Purchase Certificate certifying that health coverage will be maintained during the entire period of the extended absence must be signed by both you and your employer. An Advance Purchase Form must be submitted to SEHP Membership Services **at least fifteen (15) days prior to your departure date**. You and your employer will be notified when the Advance Purchase Form has been processed and the dates the medication will be available to pick up. Generally, the medication will be available for purchase one week in advance of the departure date. The following requirements apply:

1. The Advance Purchase form must be completed stating that coverage will be maintained via payroll deductions during the term outside of the U.S. The form also requires information on your destination and duration of stay. The Advance Purchase form signed by you and your Human Resources representative acknowledges the SEHP's right to recovery from you and/ or your employer the cost of the medications if coverage is not maintained.
2. The name and strength of each requested medication and the name of the prescribing doctor must be on the Advance Purchase form. For each medication, provide the name of pharmacy where the medication will be filled. You will be responsible for the applicable coinsurance percentage on the cost of the quantity of drug dispensed. You must agree to purchase the prescription medication at a local network pharmacy. You or your dependents using the Caremark mail service will need to obtain a prescription from your doctor so that the items can be purchased at a local network pharmacy.

**REMINDER:** Medication can only be dispensed for the period of time allowed by the prescription written by the provider. For extended periods, the member may need a new prescription. Advance purchases are available for period up to one (1) year.

3. Benefits available for emergency prescriptions purchased outside of the U.S. will be limited to those drugs which would have been covered had they been purchased within the U.S. Documentation of the purchase must be translated into English along with the exchange rate on the date of service and be submitted to the SEHP on a paper form with a statement indicating their purchase and use while outside of the U.S. Your membership status will be verified and the claim will be forwarded to Caremark for reimbursement.

➤ **Option 2 - Purchase medication(s), then submits claim(s) upon return:**

If you do not have enough time to file an Advance Purchase Form in advance of your departure, you may pay the full price for your medications, and file a paper claim for reimbursement upon your return. The paper claim would need to be sent first to SEHP for processing.

Please contact your Human Resources office for additional information.

## HEALTHQUEST PROGRAM

HealthQuest is the health and wellness program for benefits-eligible employees and members of the State Employee Health plan. As part of your benefits plan, a variety of services are offered at no additional cost. Participation in HealthQuest programs is always voluntary and strictly confidential. The toll-free telephone number for HealthQuest programs is 1-888-275-1205, TTY 1-888-277-1543. For full details on HealthQuest programs, please visit [www.kdheks.gov/hcf/healthquest](http://www.kdheks.gov/hcf/healthquest).

### **Wellness Services**

- **Nurse Line** - A team of nurses is standing by to take your call 24 hours a day, 365 days a year. Access Nurse24 for any health related question by calling toll-free 1-888-275-1205 (option 2).
- **Wellness Portal** - Register an account at [www.KansasHealthQuest.com](http://www.KansasHealthQuest.com) to access customized healthy living programs, fun wellness challenges, healthy recipes and more, plus earn credits for the Rewards Program!
- **Health Coaching** - Get ongoing support from a personal coach for making positive lifestyle changes. Enroll by calling 1-888-275-1205 (option 4).
- **Condition Management** - If you are dealing with asthma, coronary artery disease, chronic obstructive pulmonary disease, diabetes or heart failure, personal coaching support is available to help you manage your condition and achieve a better level of health. Call 1-888-275-1205 (option1).
- **Tobacco Cessation** - Enroll in the nation's leading tobacco cessation program and work with a Quit Coach on your individual quit plan. Receive an eight-week supply of nicotine replacement patches or gum (if appropriate) at no cost to you. Call 1-888-275-1205 (option 3).
- **Statewide Biometric Screening Events** - As part of the commitment to help you lead a healthier lifestyle, HealthQuest sponsors health screenings at worksites across the state. This program provides:
  - Cholesterol (HDL & LDL), triglycerides and glucose with a finger stick test
  - Blood pressure, measured height and weight and BMI calculation
  - Current biometric values to fill out your health assessment questionnaire
- **Health Assessment Questionnaire** - The health assessment online tool can help you take an active role in managing your health. Complete the health assessment questionnaire once per program year using current biometrics values to receive a personal health management plan developed just for you.
- **Rewards Program** - Employees enrolled in the medical portion of the State Employee Health Plan have an opportunity to earn a discount on their health insurance premium through the HealthQuest Rewards Program. The HealthQuest Program year (also known as the earning period for the discount) runs from August 1 through July 31. Because the requirements to earn a discount may change from year to year, please refer to the HealthQuest website for full details on the current Rewards Program, including a flyer for new health plan members:  
<http://www.kdheks.gov/hcf/healthquest/rewards.html>

Employees will need to set up a HealthQuest account on the wellness portal to begin earning credits toward their discount. As a general guideline, new members should have access to the HealthQuest programs within two weeks of submitting their health insurance paperwork (they do not have to wait until their coverage

begins). Instructions for registering an account are provided at:

[http://www.kdheks.gov/hcf/healthquest/download/How\\_to\\_Register\\_an\\_Account.pdf](http://www.kdheks.gov/hcf/healthquest/download/How_to_Register_an_Account.pdf)

- **Who is Eligible to use the Wellness Services?**

- Benefits eligible State and Non State employees who are enrolled in the State Employee Health Plan or who have waived coverage in the plan
- Retirees, spouses and dependents 18 years or older who are enrolled in the medical portion of the State Employee Health Plan

### **Employee Assistance Program (EAP)**

With a single call to the EAP, you and your family members receive confidential assistance, 24 hours a day, 7 days a week at no cost to you. Call confidentially 1-888-275-1205 (option 7), TDD/TT 1-800-766-3777. Full details on the EAP services, please visit [www.kdheks.gov/hcf/healthquest/eap.html](http://www.kdheks.gov/hcf/healthquest/eap.html).

- **Confidential Personal Counseling** - The HealthQuest EAP provides short-term counseling to you, your spouse, and your dependents for a wide variety of personal and family concerns. Counseling is provided in your area by licensed and experienced professionals. You will find the counselors at the EAP to be knowledgeable about real life problems, very caring, and readily available. A few of the most common reasons employees use the EAP Personal Counseling service include:
  - Family & Parenting Concerns
  - Marital & Relationship Issues
  - Improving Self-Esteem
  - Stress, Anxiety & Depression
  - Work-Related Concerns
  - Alcohol & Substance Abuse Problems
  - Grief & Loss
  - Major Life Event Changes
- **Dependent Care Assistance & Other Family Resources** - Caring for those who depend on you can sometimes be very stressful. The EAP staff of experienced childcare and geriatric specialists offers direct, hands-on assistance that can help take the pressure off care giving. The most common examples include:
  - Finding Licensed, Affordable Daycare
  - Evaluating Facilities & Resources
  - Assisting Aging Loved Ones
  - Long Distance Care Giving
  - Helping Dependents with Special Needs
  - Ongoing Support

- **Legal Advice & Discounts** - The EAP provides a confidential legal consultation with an attorney who specializes in the area of your concern at no charge. If you need legal representation, a 25% reduction in the customary legal fee is available to you. The most common requests include:
  - Divorce & Family Law
  - Consumer & Bankruptcy Issues
  - Real Estate Transactions
  - Landlord & Tenant Disputes
  - Wills And Estate Planning Questions
  - Criminal/Civil Lawsuits
- **Personal Money Management Advice** - The EAP program provides employees and their family members with access to financial specialists with a broad range of experience in personal financial services. Call anytime for a consultation on topics such as:
  - Home Budgeting
  - Retirement Questions
  - Debt Consolidation
  - Tax Issues
  - Credit Matters
  - Investments
  - College Funding
  - Estate Planning
- **Life Coaching** - Life coaching can enhance the quality of your personal and work life in four areas: building sound relationships; improving job performance and strengthening your career; managing stress and building resilience; and major life transitions.
- **Who Is Eligible to Use the EAP Program?**
  - All active, benefits-eligible employees of the State of Kansas, their dependents and other family members living in the same household
  - All active , benefits-eligible employees of our Non State Employer Groups, their dependents and other family members living in the same household

## HEALTHYKIDS PROGRAM

### **HealthyKIDS**

HealthyKIDS is a pilot program that helps eligible State employees with their premium for children's health insurance coverage in the SEHP. State employees with dependent children who are eligible will have 90% of the premium for their covered children paid for by the State instead of the traditional 55%. The employee will pay for the remaining 10%. Employees may enroll in any of the available plan options. The State contribution will be based on the lowest cost Health Plan.

If you cannot qualify for Kansas HealthWave (Title 21) because you are a State employee, you may qualify for HealthyKIDS if your household size and income fall within the guidelines. Current household gross income guidelines can be found on the SEHP web site at [www.kdheks.gov/hcf/sehp/HealthyKids.htm](http://www.kdheks.gov/hcf/sehp/HealthyKids.htm)

Income guidelines may change in May of each year.

If living in the same household, you should count yourself, your spouse, and your eligible dependent children under 19 who live with you, including adoptive children and minors that you have legal custody of.

During Open Enrollment, you will enroll in a health plan and coverage tier of your choice. If you believe you may be eligible for HealthyKIDS, you should complete a HealthyKIDS application online at <http://www.sehbp.org/healthykids>.

#### **You may apply mid-year due to a qualifying event if that event affects your health insurance coverage.**

The qualifying events are the same as those established for mid-year enrollment changes. You must apply within 31 days of the event. The HealthyKIDS deduction will not be stopped mid-year because of an increase in income or stopped because of a dependent reaching the age of 19 during the year.

When you apply for HealthyKIDS, the application will be reviewed and a determination will be made on eligibility. You will receive a letter indicating if your application was approved or denied. Your agency does not receive a copy of this letter. If you are approved, the SEHP will change your benefit program to reflect the approval and allow the discounted premiums. The increase for the employer contribution will be effective:

- January 1<sup>st</sup> for Open Enrollment
- The date you first become eligible
- The effective date of the approved mid-year change

If you receive a denial letter, you may change your coverage level, but not the medical plan (Example: You may go from Family coverage to Member and Spouse). An SEHP Change Form must be completed within 31 days of the denial letter and received by SEHP Membership Services within 10 days of the your signature.

#### **You are required to reapply online during Open Enrollment each year for the HealthyKIDS program.**

## **CONTINUATION OF COVERAGE – DIRECT BILL PROGRAM**

### **MEMBERS ELIGIBLE TO CONTINUE IN THE DIRECT BILL PROGRAM**

Eligible members may continue coverage through the SEHP after they retire from state employment.

The following members are eligible to continue under the SEHP Direct Bill Program:

- A. Any former elected state official;
- B. Any retired state officer or employee who is eligible to receive retirement benefits under K.S.A. 74-4925, and amendments thereto, or retirement benefits administered by the Kansas public employees retirement system (KPERs);
- C. Any totally disabled former state officer or employee who is receiving disability benefits administered by the Kansas public employees retirement system;
- D. Any surviving spouse or dependent of a qualifying member in the SEHP;
- E. Any person who is in a class listed as an active member in Section 1, Chapter 2 and who is lawfully on leave without pay;
- F. Any blind person licensed to operate a vending facility as defined in K.S.A. 75-3338, and amendments thereto;
- G. Any former “state officer,” as that term is defined in K.S.A. 74-4911f and amendments thereto, who elected not to be a member of the Kansas public employees retirement system as provided in K.S.A. 74-4911f and amendments thereto; and
- H. Any former state officer or employee, who separated from state service when eligible to receive a retirement benefit but, in lieu of that, withdrew that individual’s employee contributions from the retirement system.

### **CONDITIONS FOR DIRECT BILL MEMBERS**

If you are within a class listed above, you will be eligible to participate on a Direct Bill basis only if you meet the following conditions:

- 1) You were covered by the SEHP program on one of the following bases:
  - a) You were covered as an active member, as a COBRA member or as a spouse immediately before the date you ceased to be eligible for that type of coverage or the date you became newly eligible for a class listed in Section I. above
  - b) You are a surviving spouse or eligible dependent child of a person who was enrolled as an active member or a direct bill member when they died, and you were enrolled in the health care benefits program as a dependent when they died.
- 2) You must complete an enrollment form requesting transfer to the Direct Bill program and submit the form to SEHP Membership Services. The form must be submitted no more than 30 days after you ceased to be eligible for coverage.

### **RETIREMENT**

When you retire from employment, your Human Resources representative will need to complete a SEHP Change Form indicating that you are retiring and whether or not you wish to continue SEHP coverage through

the Direct Bill program. You must have continuous coverage under the SEHP to be eligible for the Direct Bill program. If continued coverage is desired, the Change Form should be completed 90-days before your retirement in order to ensure continuous coverage between active employee coverage and Direct Bill coverage. On the form, indicate what coverage you wish to elect for yourself as well as any dependents you wish to cover.

The effective date of change to the Direct Bill program will be the 1st day of the month following your last day in pay status.

You may change your medical plan at the time of retirement. Your dependents may be dropped from coverage upon retirement; however, your dependents may be added to coverage only if there is a qualifying mid-year event. Qualified dependents may also be added to coverage during the next Open Enrollment period.

You may opt out of dental coverage at retirement or Open Enrollment. **NOTE: Once you opt out of dental coverage, you will not be able to re-enroll in dental coverage at a later date.**

Vision coverage may not be dropped during the plan year unless due to a dependent becoming ineligible or unless all coverage is terminated. If dependent medical coverage is dropped, dependent vision coverage may be dropped.

**Important note: If you have retired after January 21, 2001, you do not have the option to re-enroll in the SEHP after you drop SEHP coverage. Retiring employees will be allowed to re-enroll only if they maintain continuous coverage under the SEHP as a dependent.**

## **RETIREES AND MEDICARE ELIGIBILITY**

### **Employees and spouses who are age 65 at retirement**

If you or your covered spouse is age 65 or over when you retire, you must apply for Medicare Part A and Part B if you do not currently have both Parts. The Social Security Administration requires that your agency provide you a memo or letter with health insurance information necessary to process the application for Medicare Part B coverage. When applying for Medicare Part B, you should present the memo or letter to the local Social Security Office.

Required information in the memo or letter is:

- Statement that you are covered under the SEHP,
- Date your coverage began,
- Date your coverage ended or will end, and
- Your spouse's name and Social Security Number if your spouse is covered by the SEHP.

Please note the letter or memo must be on your employer's letterhead.

### **When you are Medicare eligible:**

As a Medicare eligible retiree or member, you have 7 medical plans to choose from:

- Coventry Advantra Freedom PPO with Coventry Part D prescription drug coverage
- Coventry Advantra PPO with Silverscript Part D prescription drug coverage
- Kansas Senior Plan C with SilverScript Part D prescription drug coverage
- Kansas Senior Plan C without SilverScript Part D prescription drug coverage
- SEHP Plan A with Caremark prescription drug coverage
- SEHP Plan B with Caremark prescription drug coverage
- SEHP High Deductible Plan C with Caremark prescription drug coverage



Information on these plans can be found on the SEHP website at:

[www.kdheks.gov/hcf/sehp/directbill.htm](http://www.kdheks.gov/hcf/sehp/directbill.htm)

**When you and your covered spouse are both Medicare eligible:**

If you and your covered spouse are both Medicare eligible, you have the same 8 medical plans available to choose from as those listed above. When Medicare is an option, you and your spouse will be enrolled in separate plans.

**SPLIT ENROLLMENT**

Split Enrollment is required for the following situations:

1. When you and your spouse are both Medicare eligible
2. When you are Medicare eligible and your spouse/dependents are not Medicare eligible
3. When you are not Medicare eligible and your spouse/dependents are Medicare eligible

When Split Enrollment occurs, the Medicare member(s) may enroll in one of the following plans:

- Coventry Advantra Freedom PPO with Coventry Part D prescription drug coverage
- Coventry Advantra PPO with Silverscript Part D prescription drug coverage
- Kansas Senior Plan C with SilverScript Part D prescription drug coverage
- Kansas Senior Plan C without SilverScript Part D prescription drug coverage
- SEHP Plan A with Caremark prescription drug coverage
- SEHP Plan B with Caremark prescription drug coverage
- SEHP High Deductible Plan C with Caremark prescription drug coverage

The non-Medicare member remains in one of the SEHP's Plan A, Plan B, or High Deductible Plan C options.

**Special Note on Dental coverage for:**

- 1) **Members that must split their coverage, or**
- 2) **Enrolling as a surviving spouse or dependent:**

If your spouse or dependent is not currently enrolled in dental coverage at the time coverage is split, or when enrolling as a surviving spouse or dependent, your spouse/dependent has a one-time option of picking up the dental coverage at the next Open Enrollment following this qualifying event.

Information on these plans can be found on the SEHP website at: [www.kdheks.gov/hcf/sehp/directbill.htm](http://www.kdheks.gov/hcf/sehp/directbill.htm)

**PAYMENT METHODS UNDER THE DIRECT BILL PROGRAM**

Premiums for your Direct Bill coverage are administered by third party billing administrators. You will receive a bill for the 1st full month in retirement status if bank draft information is not received in time to get the automatic bank draft started. Once set up, you have several ways to pay your SEHP premiums. Methods may include automatic bank draft, payment online, payment via credit card over the telephone, or payment via check or money order.

Currently, HP Enterprise Services bills SEHP Direct Bill members for all SEHP premiums with the exception of Part D prescription drug coverage through SilverScript. If you have your Part D prescription drug coverage through SilverScript, you will be billed directly by them.

Payments for your SEHP premiums are due the first of the month for that month's coverage. For example, January premiums are due to the premium billing administrator by January 1. If premiums are not paid by the first of the month, your coverage may be terminated and may not be reinstated.

For additional information concerning the Direct Bill program, you or your Human Resources representative should contact:

Membership Services  
State Employee Health Plan  
900 SW Jackson, Suite 900  
Topeka, Kansas 66612-1220

Telephone:  
785-296-1715 (In Topeka)  
1-866-541-7100 (Toll Free)  
Fax: 785-368-7180

## CONTINUATION OF COVERAGE - COBRA

The federal COBRA law was enacted in 1986. The law requires that most employers sponsoring Group Health Insurance Plans offer employees and their families the opportunity for a temporary extension of health coverage at group rates in certain instances where coverage under the plan would otherwise end.

If you and your dependents lose insurance coverage under the SEHP, you have the right to elect to continue coverage by paying the required premiums. (Under **COBRA**, if you are a retiree or are covered through the Direct Bill program, you also have the same continuation rights as active employees.). If you are a retiree and have chosen COBRA over the SEHP Direct Bill coverage and COBRA runs out, you may enroll in Direct Bill coverage.

You, your spouse, and your dependents who are eligible to continue health insurance coverage are called Qualified Beneficiaries. The provisions under which you can continue coverage are called Qualifying Events. The number of months you can continue coverage is specified.

### **HEALTH COVERAGE TO BE CONTINUED**

Qualified beneficiaries are eligible to continue only those medical, dental, prescription drug, and vision benefits for which they were covered at the time of the qualifying event.

**NOTE:** If you go on Leave Without Pay (LWOP), then terminate employment AND do not continue SEHP coverage during the leave period, then you and any dependents will **NOT** be eligible for COBRA continuation. You are not eligible because you were not participating in the SEHP at the time of the qualifying event.

### **PROCEDURES TO BE FOLLOWED WHEN YOU EXPERIENCE A COBRA QUALIFYING EVENT**

1. If the qualifying event is termination of employment (except for gross misconduct), the SEHP must notify your medical plan that termination of insurance coverage has occurred. Because there is a time limit in which you can elect to continue coverage, your employer must immediately notify SEHP Membership Services of your termination of employment so that SEHP Membership Services can cancel your coverage.
2. If the qualifying event is the reduction of work hours to less than 1,000 per year, the SEHP must notify your medical plan that termination of insurance coverage has occurred. The Change Form has been designed so that this information can be recorded on the form. Because there is a time limit in which you can elect to continue coverage, the completed Change Form must be immediately forwarded to SEHP Membership Services.
3. If the qualifying event is due to 1) Death (active employee and Direct Bill); 2) Divorce (active employee and Direct Bill); 3) Choosing Medicare as primary carrier and leaving dependents without health insurance coverage (active employees ONLY); or 4) A dependent of yours ceases to meet the SEHP's definition of dependent, i.e. turns age 26 (active employee and Direct Bill), the qualified beneficiary must notify your employer's Human Resources office **within 60 days** of the qualifying event. (Spouses and dependents of retirees should notify the SEHP **within 60 days** of the qualifying event). If notice is not received within 60 days of the qualifying event, the beneficiary will **not** be eligible for continuation coverage. Because of this time limit, the completed Change Forms must be transmitted immediately to SEHP Membership Services.
4. Within 21 days of SEHP Membership Services receiving notification of the qualifying event, the qualified beneficiary will receive specific information, including a COBRA Enrollment Form setting forth the requirements for continuing insurance coverage, the plans available, and the applicable premium rates from the SEHP COBRA administrator.
5. An election by you or your spouse to continue coverage will be deemed to be an election for coverage by any other qualified beneficiary. However, each qualified beneficiary has an individual right to select continuation coverage. Each beneficiary may make a separate selection among the levels of coverage available.

## **ADMINISTRATIVE ISSUES**

SEHP benefits will generally terminate on the last day of the month in which the qualifying event occurs. COBRA notices are generated by the SEHP's COBRA administrator following notice of your termination from your employer. Notification of your termination is required from your employer via a Change Form submitted to SEHP Membership Services. If the Change Form is received from your employer and not processed, the qualified beneficiary will not receive a letter. Timeliness becomes a critical issue when completing and submitting forms.

COBRA continuation is not automatic - it is a choice that the qualified beneficiary must make. Also, the Change Form does not activate COBRA continuation status. The qualified beneficiary must complete the COBRA election form that accompanies the COBRA notification letter sent by the COBRA Administrator. The qualified beneficiary has 60 days from the date of the COBRA notice to return the COBRA continuation election form to the COBRA Administrator.

COBRA notification letters will be sent to the qualified beneficiary at their last known address. It is important at the time of termination that your employer has your correct address. If you move, you should leave forwarding instructions at the Post Office.

## **COST OF BENEFITS - COBRA CONTINUATION RATES**

Any qualified beneficiary who elects to continue coverage under the plan must pay the full cost of that coverage (including **both** the share you paid as an active employee, and the share paid by your employer), **plus** any additional amounts allowed by law. At present, COBRA Continuation rates are 102% of total premium. Those beneficiaries who elect the 11-month extension of benefits due to disability will pay 150% of premium for the additional 11-months of coverage.

Please go to the SEHP web site for the current plan year COBRA rates.

[www.kdheks.gov/hcf/sehp/COBRA.htm](http://www.kdheks.gov/hcf/sehp/COBRA.htm)

## **TERMINATION OF COVERAGE CONTINUATION**

You and/or your eligible dependents will lose continuation of SEHP under COBRA if:

1. You do not pay or do not make timely payment of premiums;
2. You or your dependent(s) become(s) covered, either as an employee or dependent, under another employer-provided medical plan which does not limit or exclude coverage for preexisting conditions (does **not** apply to the surviving spouse in qualifying event I);
3. You or enrolled dependent(s) become eligible for Medicare (has enrolled in the Medicare program). However, if Medicare eligibility is due to ESRD, the individual may continue on COBRA.

**NOTE: Only the person(s) eligible for Medicare coverage lose(s) COBRA Continuation benefits. Any other person(s) enrolled may continue for the duration of the COBRA eligibility period; or**

4. The State of Kansas no longer offers group health insurance to its employees.

For more information contact your Human Resources office.